

AMENDED IN ASSEMBLY AUGUST 5, 2013

AMENDED IN ASSEMBLY JUNE 14, 2013

AMENDED IN SENATE MAY 8, 2013

AMENDED IN SENATE APRIL 24, 2013

## SENATE BILL

**No. 309**

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**Introduced by Senator ~~Priee~~ *Lieu***

(Principal coauthor: Assembly Member Gordon)

(Coauthors: Assembly Members Alejo and Ian Calderon)

February 15, 2013

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An act to amend Sections 18602, 18613, 18640.5, 18642, 18646, 18711, 18824, 18825, and 18882 of, to add Sections 18816 and 18820 to, to repeal Sections ~~18643, 18654, 18643~~ and 18817 of, and to repeal and add Sections 18653, ~~18654~~, and 18731 of, the Business and Professions Code, relating to business.

### LEGISLATIVE COUNSEL'S DIGEST

SB 309, as amended, ~~Priee~~ *Lieu*. State Athletic Commission.

Under existing law, the State Athletic Commission Act, the State Athletic Commission is responsible for licensing and regulating boxing, kickboxing, and martial arts matches and is required to appoint an executive officer. Existing law repeals these provisions on January 1, 2014. A violation of the act is a crime.

This bill would extend the repeal date to January 1, 2016.

Existing law requires the commission, at its regularly scheduled meetings, to invite testimony from boxing stakeholders to identify actions that may lead to greater opportunities for its licensees to participate in major professional championship boxing contests in the state. Existing law requires the commission to annually make

recommendations, based on that testimony, to the Governor and the Legislature.

This bill would delete that recommendation requirement.

Existing law authorizes the commission to license professional and amateur boxers, professional and amateur martial arts fighters, and booking agents, managers of professional boxers and professional martial arts fighters, trainers, chief seconds, and seconds of each. Under existing law, only a natural person may be licensed as a boxer and martial arts fighter.

This bill would eliminate that natural person limitation on who may be licensed as a boxer and martial arts fighter.

Under existing law, the commission may authorize a nonprofit boxing, wrestling, or martial arts club or organization, upon approval of its bylaws, to administer its rules for amateur boxing, wrestling, and full contact martial arts contests subject to specified findings by the commission.

This bill would additionally authorize a sanctioning body to administer its rules. The bill would authorize the commission to ~~revoke the authority for a previously authorized~~ *rescind an authorization to a* nonprofit boxing, wrestling, or martial arts club, organization, or sanctioning body to administer its rules.

Existing law prohibits a professional boxer from sparring for training purposes with any person not licensed as a professional boxer or who does not have a sparring permit. Existing law prohibits a person from conducting or operating a professional boxers' training gymnasium unless he or she has been issued a license by the commission. Under existing law, the failure of a licensed training gymnasium owner or operator, fighter, boxer, trainer, second, or manager to report to the commission an injury or knockout of a licensed boxer or fighter or the holder of a sparring permit is grounds for the suspension of his or her license.

This bill would repeal those provisions. The bill would prohibit a person from training a professional boxer or kickboxer or martial arts athlete unless he or she has been licensed by the commission. The bill would make the application and renewal fee for a licensed professional trainer \$200. The bill would define a "professional trainer" as someone who is responsible for the ~~day-to-day~~ *day-to-day* training of those aforementioned athletes and possesses a minimum of 5 years experience in combative sports. The bill would authorize only licensed professional trainers to make a recommendation to the commission on whether a

contestant is prepared for his or her first amateur mixed martial arts bout or to turn professional in boxing, kickboxing, or mixed martial arts. The bill would require a professional trainer to be present in the corner of the contestant unless otherwise authorized by the commission or the executive officer. The bill would make the failure of a licensed professional trainer to report to the commission and a ~~specified~~ database *designated by the commission* an injury or knockout of a licensed boxer or fighter one of the grounds for the suspension or revocation of his or her license.

Under existing law, the commission requires, as a condition of licensure and annual renewal and as a part of the application process, the examination by a licensed physician and surgeon who specializes in neurology and neurosurgery of each applicant for a license as a professional athlete or contestant, in addition to any other medical examinations. Existing law requires the cost of the examinations to be paid from assessments on any one or more of the following: promoters of professional matches, managers, and professional athletes or other contestants licensed under the act.

This bill would specify that the administrative costs associated with managing and distributing the State Athletic Commission Neurological Examination Account shall be limited to no more than 20% of the prior year's contributions. The bill would authorize the commission to use moneys from the State Athletic Commission Neurological Examination Account, upon appropriation by the Legislature, to fund special neurological examinations and new diagnostic imaging and testing to be used in relation to those required examinations.

Existing law requires the commission to license referees. Existing law requires a referee to be in attendance at every boxing contest and to enforce the rules of the commission at every boxing contest. Existing law requires a licensed physician and surgeon to observe the physical condition of the contestant during the contest and requires ringside physicians and surgeons to meet certain requirements. Existing law prohibits a referee or physician and surgeon from being assigned to a boxing contest if he or she has not participated in a clinic sponsored by the commission in the preceding 6 months. Existing law authorizes the commission to pay any necessary and ~~authorizes~~ *permitted* travel expenses of referees and physicians and surgeons who attend such clinics.

This bill would instead prohibit a referee or physician and surgeon from being assigned to a boxing contest if he or she has not completed,

within the preceding 6 months, a clinic offered by a provider approved by the commission, as specified. The bill would authorize a clinic provider to charge a referee or physician and surgeon participating in a clinic a reasonable fee.

Existing federal law requires a state boxing commission to issue to each professional boxer who registers with it an identification card containing specified information and requires each professional boxer to renew his or her identification card at least once every 4 years.

This bill would require the commission to charge a \$20 fee to issue federal identification cards and would require those cards to be reissued once every 4 years.

Existing law requires every person who conducts a contest or wrestling exhibition, within 5 working days after the determination of every contest or wrestling exhibition for which admission is charged and received, to furnish to the commission, among other things, a fee of 5% of the amount paid for admission to the contest or wrestling exhibition, but prohibits the fee from exceeding \$100,000, and a fee of up to 5%, as specified, for the sale, lease, or other exploitation of broadcasting or television rights, except that this fee is prohibited from being less than \$1,000 or more than \$25,000. Existing law requires the commission to report to a specified legislative committee on the fiscal impact of that \$100,000 limitation. *If the fee for a boxing contest exceeds \$70,000, existing law requires that  $\frac{1}{2}$  of the amount in excess of \$70,000 be paid to the commission and  $\frac{1}{2}$  to the Boxers' Pension Fund. Existing law revises this requirement if a specified report recommends expansion of the application of the Boxers' Pension Fund.* Existing law prohibits the minimum fee for an amateur contest or exhibition from being less than \$500.

This bill would instead require the commission to furnish that 5% fee within 72 hours and report to the Legislature during its next sunset review. The bill would increase the limit on the 5% fee for the sale, lease, or other exploitation of broadcasting or television rights to \$35,000. *The bill would delete the provisions that require revision of the distribution of fees in excess of \$70,000 based on a specified report.* The bill would prohibit the minimum fee for an amateur contest or exhibition from being less than \$1,000. The bill would prohibit the minimum fee for a professional contest or exhibition from being less than \$1,250.

Existing law requires the administrative costs associated with investing, managing, and distributing the Boxers' Pension Fund to be

limited to no more than 20% of the average annual contribution made to the fund in the previous 2 years, not including any investment income derived from the corpus of the fund. Existing law requires the commission to report to a legislative committee on the impact of these provisions during the next regularly scheduled sunset review.

This bill would limit those administrative costs to no more than 2% and would require that report to be submitted to the Legislature.

Because a violation of the bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 18602 of the Business and Professions
- 2 Code is amended to read:
- 3 18602. (a) Except as provided in this section, there is in the
- 4 Department of Consumer Affairs the State Athletic Commission,
- 5 which consists of seven members. Five members shall be appointed
- 6 by the Governor, one member shall be appointed by the Senate
- 7 Rules Committee, and one member shall be appointed by the
- 8 Speaker of the Assembly.
- 9 The members of the commission appointed by the Governor are
- 10 subject to confirmation by the Senate pursuant to Section 1322 of
- 11 the Government Code.
- 12 No person who is currently licensed, or who was licensed within
- 13 the last two years, under this chapter may be appointed or
- 14 reappointed to, or serve on, the commission.
- 15 (b) In appointing commissioners under this section, the
- 16 Governor, the Senate Committee on Rules, and the Speaker of the
- 17 Assembly shall make every effort to ensure that at least four of
- 18 the members of the commission shall have experience and
- 19 demonstrate expertise in one of the following areas:
- 20 (1) A licensed physician or surgeon having expertise or
- 21 specializing in neurology, neurosurgery, head trauma, or sports

1 medicine. Sports medicine includes, but is not limited to,  
2 physiology, kinesiology, or other aspects of sports medicine.

3 (2) Financial management.

4 (3) Public safety.

5 (4) Past experience in the activity regulated by this chapter,  
6 either as a contestant, a referee or official, a promoter, or a venue  
7 operator.

8 (c) Each member of the commission shall be appointed for a  
9 term of four years. All terms shall end on January 1. Vacancies  
10 occurring prior to the expiration of the term shall be filled by  
11 appointment for the unexpired term. No commission member may  
12 serve more than two consecutive terms.

13 (d) Notwithstanding any other provision of this chapter,  
14 members first appointed shall be subject to the following terms:

15 (1) The Governor shall appoint two members for two years, two  
16 members for three years, and one member for four years.

17 (2) The Senate Committee on Rules shall appoint one member  
18 for four years.

19 (3) The Speaker of the Assembly shall appoint one member for  
20 four years.

21 (e) (1) This section shall remain in effect only until January 1,  
22 2016, and as of that date is repealed, unless a later enacted statute,  
23 that is enacted before January 1, 2016, deletes or extends that date.

24 (2) Notwithstanding any other law, the repeal of this section  
25 renders the board subject to review by the appropriate policy  
26 committees of the Legislature.

27 SEC. 2. Section 18613 of the Business and Professions Code  
28 is amended to read:

29 18613. (a) (1) The commission shall appoint a person exempt  
30 from civil service who shall be designated as an executive officer  
31 and who shall exercise the powers and perform the duties delegated  
32 by the commission and vested in him or her by this chapter. The  
33 appointment of the executive officer is subject to the approval of  
34 the Director of Consumer Affairs.

35 (2) The commission may employ in accordance with Section  
36 154 other personnel as may be necessary for the administration of  
37 this chapter.

38 (b) This section shall remain in effect only until January 1, 2016,  
39 and as of that date is repealed, unless a later enacted statute, that  
40 is enacted before January 1, 2016, deletes or extends that date.

1 SEC. 3. Section 18640.5 of the Business and Professions Code  
2 is amended to read:

3 18640.5. (a) The commission, at its regularly scheduled  
4 meetings, shall invite testimony from boxing stakeholders to  
5 identify actions that may lead to greater opportunities for its  
6 licensees to participate in major professional championship boxing  
7 contests in the State of California. The commission shall invite  
8 testimony that shall include, but not be limited to, the following:

9 (1) What cooperative actions may be taken by the private sector  
10 boxing stakeholders that may lead to greater opportunities for the  
11 commission's licensees to participate in major professional  
12 championship boxing contests in the State of California.

13 (2) What role may public-private partnerships play that may  
14 lead to greater opportunities for the commission's licensees to  
15 participate in major professional championship boxing contests in  
16 the State of California.

17 (3) What actions may local agencies take that may lead to greater  
18 opportunities for the commission's licensees to participate in major  
19 professional championship boxing contests in the State of  
20 California.

21 (4) What actions may the commission take that may lead to  
22 greater opportunities for the commission's licensees to participate  
23 in major professional championship boxing contests in the State  
24 of California.

25 (5) What actions may other state agencies take that may lead to  
26 greater opportunities for the commission's licensees to participate  
27 in major professional championship boxing contests in the State  
28 of California.

29 (b) The stakeholders shall include, but not be limited to, boxing  
30 promoters, boxing event venues, boxers, sports news outlets, and  
31 local agencies that have an interest in providing greater  
32 opportunities for the commission's licensees to participate in major  
33 professional championship boxing contests in the State of  
34 California.

35 (c) Nothing in this section shall jeopardize the commission's  
36 duties and responsibilities to protect the safety and welfare of  
37 boxers and the public.

38 (d) Costs incurred by the commission in implementing this  
39 section shall be covered by existing resources of the commission.

1 SEC. 4. Section 18642 of the Business and Professions Code  
2 is amended to read:

3 18642. The commission may license professional and amateur  
4 boxers, professional and amateur martial arts fighters, and booking  
5 agents, managers of professional boxers and professional martial  
6 arts fighters, trainers, chief seconds, and seconds of each.

7 No person shall participate in any contest or serve in the capacity  
8 of a booking agent, manager, trainer, or second, unless he or she  
9 has been licensed for that purpose by the commission.

10 SEC. 5. Section 18643 of the Business and Professions Code  
11 is repealed.

12 SEC. 6. Section 18646 of the Business and Professions Code  
13 is amended to read:

14 18646. (a) This chapter applies to all amateur boxing,  
15 wrestling, and full contact martial arts contests.

16 (b) The commission may, however, authorize a nonprofit boxing,  
17 wrestling, or martial arts club, organization, or sanctioning body,  
18 upon approval of its bylaws, to administer its rules for amateur  
19 boxing, wrestling, and full contact martial arts contests, and may,  
20 therefore, waive direct commission application of laws and rules,  
21 including licensure, subject to the commission's affirmative finding  
22 that the standards and enforcement of similar rules by that club or  
23 organization meet or exceed the safety and fairness standards of  
24 the commission. The commission shall review the performance of  
25 any such club, organization, or sanctioning body annually.

26 (c) Every contest subject to this section shall be preceded by a  
27 physical examination, specified by the commission, of every  
28 contestant. A physician shall be in attendance at the contest. There  
29 shall be a medical insurance program satisfactory to the  
30 commission provided by the amateur club, organization, or  
31 sanctioning body in effect covering all contestants. The commission  
32 shall review compliance with these requirements.

33 (d) Any club, organization, or sanctioning body that conducts,  
34 holds, or gives amateur contests pursuant to this section, which  
35 collects money for the event, shall furnish a written financial report  
36 of receipts and disbursements within 90 days of the event.

37 (e) The commission has the right to have present without charge  
38 or restriction such representatives as are necessary to obtain  
39 compliance with this section.



1 (f) The commission may require any additional notices and  
2 reports it deems necessary to enforce the provisions of this section.

3 (g) ~~The commission may revoke the authority for a previously~~  
4 ~~authorized,~~ *at its discretion, may rescind previously approved*  
5 *authorization of a nonprofit boxing, wrestling, or martial arts club,*  
6 *organization, or sanctioning body to administer its rules for amateur*  
7 *boxing, wrestling, and full contact martial arts contests.*

8 SEC. 7. Section 18653 of the Business and Professions Code  
9 is repealed.

10 SEC. 8. Section 18653 is added to the Business and Professions  
11 Code, to read:

12 18653. ~~(a)~~ No person shall train a professional boxer or  
13 kickboxer or martial arts athlete unless he or she has been licensed  
14 by the commission. A professional trainer is someone who is  
15 responsible for the day-to-day training of those athletes and  
16 possesses a minimum of five years experience in combative sports.  
17 Only professional trainers licensed by the commission may make  
18 a recommendation to the commission on whether a contestant is  
19 prepared for his or her first amateur mixed martial arts bout or to  
20 turn professional in boxing, kickboxing, or mixed martial arts. A  
21 professional trainer shall be present in the corner of the contestant  
22 unless otherwise authorized by the commission or the executive  
23 director.

24 ~~(b) Failure of a licensed professional trainer to report to the~~  
25 ~~commission and a database approved by the commission and the~~  
26 ~~Association of Boxing Commissions or to the Mixed Martial Art~~  
27 ~~Database an injury or knockout of a licensed boxer or fighter shall~~  
28 ~~be one of the grounds for the suspension or revocation of his or~~  
29 ~~her license pursuant to this chapter.~~

30 SEC. 9. Section 18654 of the Business and Professions Code  
31 is repealed.

32 SEC. 10. Section 18654 is added to the Government Code, to  
33 read:

34 18654. *Failure of a licensed professional trainer, fighter, boxer,*  
35 *second, or manager to report an injury or knockout of a licensed*  
36 *boxer or fighter to the commission and to a database designated*  
37 *by the commission, which may include the national athlete and*  
38 *bout results databases approved by the Association of Boxing*  
39 *Commissions for boxing and mixed martial arts, shall be grounds*

1 *for the suspension or revocation of his or her license pursuant to*  
2 *this chapter.*

3 ~~SEC. 10.~~

4 *SEC. 11.* Section 18711 of the Business and Professions Code  
5 is amended to read:

6 18711. (a) (1) (A) The commission shall require, as a  
7 condition of licensure and as a part of the application process, the  
8 examination by a licensed physician and surgeon who specializes  
9 in neurology and neurosurgery of each applicant for a license as  
10 a professional athlete or contestant licensed under this chapter or,  
11 if for the renewal of a license, this examination every year, in  
12 addition to any other medical examinations.

13 (i) Upon initial licensure, the examination shall include tests  
14 and examinations designed to detect physical conditions that could  
15 place the athlete or contestant at risk for serious injury or  
16 permanent or temporary impairment of any bodily function. These  
17 tests or examinations shall include, but not be limited to, a  
18 neurological examination or a neuro-psychological examination,  
19 a brain imaging scan, and an electrocardiogram (EKG). The  
20 physician may recommend any additional tests or evaluations he  
21 or she deems necessary.

22 (ii) For renewal of a license, the physician shall determine the  
23 tests or evaluations necessary, if any.

24 (iii) The commission may require an athlete or contestant  
25 licensed under this chapter to undergo additional neurological tests  
26 where, based on the totality of the athlete's or contestant's records,  
27 it appears the athlete or contestant may be at risk of cognitive  
28 impairment.

29 (iv) On the basis of a physical examination under this  
30 subdivision, and any additional tests that are conducted, the  
31 physician may recommend to the commission whether the applicant  
32 may be permitted to be licensed in California or not. The executive  
33 officer shall review these recommendations and report any denials  
34 of licensure. If, as a result of these recommendations, the executive  
35 officer refuses to grant the applicant a license or to renew a license,  
36 the applicant shall not compete in California until the denial has  
37 been overruled by the commission as provided in this chapter.

38 (v) The commission may waive the requirement for a brain  
39 imaging scan or an EKG if a brain imaging scan or EKG was  
40 completed as part of the licensing requirements in another state,

1 the commission determines that this brain imaging scan or EKG  
2 creates a reliable baseline for the athlete or contestant, and the  
3 commission has been provided with a copy of the brain imaging  
4 scan or EKG reports.

5 (vi) This subparagraph shall become inoperative on the date the  
6 regulations adopted by the commission pursuant to subparagraph  
7 (B) become operative.

8 (B) On and after January 1, 2008, all professional athletes  
9 licensed under this chapter shall be required by the commission  
10 to complete a medical examination process, which shall include  
11 the completion of specific medical examinations, to be determined  
12 by the commission through regulations, as a condition of initial  
13 licensure and license renewal. This medical examination process  
14 may include examinations required under current law and any  
15 additional medical examinations determined to be medically  
16 necessary. In adopting the medical examination process, the  
17 commission shall consider the health and safety of contestants, the  
18 medical necessity of any examinations required, and the financial  
19 aspects of requiring those medical examinations.

20 (2) In the absence of any pertinent untoward medical event, the  
21 commission may, in its discretion, on forms prescribed by the  
22 commission, accept tests or evaluations that are equivalent to those  
23 described in paragraph (1) and that have been completed within  
24 one year of licensure to meet the requirements of this subdivision.

25 (3) (A) Any medical records obtained, reviewed, or created  
26 under this chapter shall be utilized only for purposes of  
27 administering this chapter. The commission and any physician  
28 may not disclose the athlete's medical records without a signed  
29 authorization from the athlete, except that the commission may  
30 disclose those records to other state licensing boards and  
31 commissions to which the athlete has applied for licensure or has  
32 an enforcement action pending, or upon court order in a criminal  
33 or civil action.

34 (B) After the adoption of regulations to establish a process for  
35 participating in medical research studies, the commission may use  
36 medical information for purposes of participating in medical  
37 research studies of the effects on the human body of contests and  
38 exhibitions regulated under this chapter. However, medical  
39 information shall not include any personal identifying information  
40 on any contestant, including, but not limited to, the contestant's

1 name, address, telephone number, social security number, license  
2 number, federal identification number, or any other information  
3 identifying the contestant. The medical information shall only be  
4 provided if the licensed athlete has consented in writing to  
5 participate in the research study. The regulations adopted by the  
6 commission shall include a process to ensure that no conflicts of  
7 interest arise regarding which medical examinations are required  
8 to be completed by contestants.

9 (b) If an applicant for licensure as a professional athlete under  
10 this chapter undergoes a neurological examination for purposes  
11 of licensure within the 120-day period immediately preceding the  
12 normal expiration of that license, the applicant shall not be required  
13 to undergo an additional neurological examination within the  
14 following 12 consecutive month license period unless the  
15 commission, for cause, orders that the examination be taken. The  
16 commission shall notify all commission-approved physicians and  
17 referees that the commission has the authority to order any  
18 professional athlete to undergo a neurological examination.

19 (c) The cost of the examinations required by this section shall  
20 be paid from assessments on any one or more of the following:  
21 promoters of professional matches, managers, and professional  
22 athletes or other contestants licensed under this chapter. The rate  
23 and manner of assessment shall be set by the commission, and  
24 may cover all costs associated with the requirements of this section.  
25 This assessment shall be imposed on all contests approved by the  
26 commission under this chapter. As of July 1, 1994, all moneys  
27 received by the commission pursuant to this section shall be  
28 deposited in and credited to the State Athletic Commission  
29 Neurological Examination Account which is hereby created in the  
30 General Fund. The administrative costs associated with managing  
31 and distributing the State Athletic Commission Neurological  
32 Examination Account shall be limited to no more than 20 percent  
33 of the prior year's contributions.

34 (d) In its discretion, the commission may use moneys from the  
35 State Athletic Commission Neurological Examination Account,  
36 upon appropriation by the Legislature, to fund special neurological  
37 examinations and new diagnostic imaging and testing to be used  
38 in relation to the examinations required by this section.

1 (e) Whenever a reference is made to the Boxers' Neurological  
2 Examination Account, it is to be construed as referring to the State  
3 Athletic Commission Neurological Examination Account.

4 ~~SEC. 11.~~

5 *SEC. 12.* Section 18731 of the Business and Professions Code  
6 is repealed.

7 ~~SEC. 12.~~

8 *SEC. 13.* Section 18731 is added to the Business and  
9 Professions Code, to read:

10 18731. (a) In addition to the other requirements of this chapter  
11 and regulations adopted thereunder, no referee or physician and  
12 surgeon shall be assigned to a boxing contest if he or she has not  
13 completed a clinic offered by a provider approved by the  
14 commission.

15 (b) A referee or physician and surgeon shall complete a clinic  
16 within the preceding six months of a boxing contest.

17 (c) The commission shall approve a clinic provider if the clinic  
18 includes, at a minimum, but is not limited to, the following topics  
19 related to a boxing contest: the subjects of the rules of the  
20 commission, the recognition and diagnosis of serious or  
21 life-threatening, boxing-related and neurological injuries and  
22 disorders, and refereeing a bout.

23 (d) The clinic provider may charge a referee or physician and  
24 surgeon participating in a clinic a fee in an amount not to exceed  
25 the reasonable cost of the clinic.

26 (e) Nothing in this section shall be construed to prohibit the  
27 commission from offering a clinic subject to the requirements of  
28 this section.

29 ~~SEC. 13.~~

30 *SEC. 14.* Section 18816 is added to the Business and  
31 Professions Code, to read:

32 18816. The application and renewal fee for a licensed  
33 professional trainer, as described in Section 18653, shall be two  
34 hundred dollars (\$200).

35 ~~SEC. 14.~~

36 *SEC. 15.* Section 18817 of the Business and Professions Code  
37 is repealed.

38 ~~SEC. 15.~~

39 *SEC. 16.* Section 18820 is added to the Business and  
40 Professions Code, to read:

1 18820. The commission shall charge a twenty-dollar (\$20) fee  
2 to issue federal identification cards. Cards shall be reissued once  
3 every four years.

4 ~~SEC. 16.~~

5 *SEC. 17.* Section 18824 of the Business and Professions Code  
6 is amended to read:

7 18824. (a) Except as provided in Sections 18646 and 18832,  
8 every person who conducts a contest or wrestling exhibition shall,  
9 within 72 hours after the determination of every contest or  
10 wrestling exhibition for which admission is charged and received,  
11 furnish to the commission the following:

12 (1) A written report executed under penalty of perjury by one  
13 of the officers, showing the amount of the gross receipts, not to  
14 exceed two million dollars (\$2,000,000), and the gross price for  
15 the contest or wrestling exhibition charged directly or indirectly  
16 and no matter by whom received, for the sale, lease, or other  
17 exploitation of broadcasting and television rights of the contest or  
18 wrestling exhibition, and without any deductions, except for  
19 expenses incurred for one broadcast announcer, telephone line  
20 connection, and transmission mobile equipment facility, which  
21 may be deducted from the gross taxable base when those expenses  
22 are approved by the commission.

23 (2) A fee of 5 percent, exclusive of any federal taxes paid  
24 thereon, of the amount paid for admission to the contest or  
25 wrestling exhibition, except that for any one contest, the fee shall  
26 not exceed the amount of one-hundred-thousand-dollars  
27 (\$100,000). The commission shall report to the Legislature on the  
28 fiscal impact of the one-hundred-thousand-dollar (\$100,000) limit  
29 on fees collected by the commission for admissions revenues  
30 during its next sunset review.

31 (A) The amount of the gross receipts upon which the fee  
32 provided for in paragraph (2) is calculated shall not include any  
33 assessments levied by the commission under Section 18711.

34 (B) (i) If the fee for any one boxing contest exceeds seventy  
35 thousand dollars (\$70,000), the amount in excess of seventy  
36 thousand dollars (\$70,000) shall be paid one-half to the commission  
37 and one-half to the Boxers' Pension Fund.

38 (ii) ~~If the report required by subdivision (b) of Section 18618~~  
39 ~~recommends that the Boxers' Pension Fund shall be expanded to~~  
40 ~~include all athletes licensed under this chapter, the commission,~~

1 ~~by regulation, shall require, for all contests where the fee exceeds~~  
2 ~~seventy thousand dollars (\$70,000), the amount in excess of~~  
3 ~~seventy thousand dollars (\$70,000) shall be paid one-half to the~~  
4 ~~commission and one-half to the Boxers' Pension Fund only if all~~  
5 ~~athletes licensed under this chapter are made eligible for the~~  
6 ~~Boxers' Pension Fund.~~

7 (C) The fee shall apply to the amount actually paid for admission  
8 and not to the regular established price.

9 (D) No fee is due in the case of a person admitted free of charge.  
10 However, if the total number of persons admitted free of charge  
11 to a boxing, kickboxing, or martial arts contest, or wrestling  
12 exhibition exceeds 33 percent of the total number of spectators,  
13 then a fee of one dollar (\$1) per complimentary ticket or pass used  
14 to gain admission to the contest shall be paid to the commission  
15 for each complimentary ticket or pass that exceeds the numerical  
16 total of 33 percent of the total number of spectators.

17 (E) The minimum fee for an amateur contest or exhibition shall  
18 not be less than one thousand dollars (\$1,000). The minimum fee  
19 for a professional contest or exhibition shall not be less than one  
20 thousand two hundred fifty dollars (\$1,250).

21 (3) A fee of up to 5 percent, to be established by the commission  
22 through regulations to become operative on or before July 1, 2008,  
23 and updated periodically as needed, of the gross price, exclusive  
24 of any federal taxes paid thereon, for the sale, lease, or other  
25 exploitation of broadcasting or television rights thereof, except  
26 that in no case shall the fee be less than one thousand dollars  
27 (\$1,000) or more than thirty-five thousand dollars (\$35,000).

28 (b) As used in this section, "person" includes a promoter, club,  
29 individual, corporation, partnership, association, or other  
30 organization, and "wrestling exhibition" means a performance of  
31 wrestling skills and techniques by two or more individuals, to  
32 which admission is charged or which is broadcast or televised, in  
33 which the participating individuals are not required to use their  
34 best efforts in order to win, and for which the winner may have  
35 been selected before the performance commences.

36 ~~SEC. 17.~~

37 *SEC. 18.* Section 18825 of the Business and Professions Code  
38 is amended to read:

39 18825. An inspector or other representative of the commission  
40 duly authorized by the executive officer shall be admitted to the

1 box office, and is authorized to assist in the counting of tickets  
2 and in the computation of the tax due thereon, and to take any  
3 other action necessary for the administration and enforcement of  
4 this chapter. The inspector or other representative shall immediately  
5 transmit to the commission the official statement of gross receipts  
6 received by him or her from the promoter.

7 ~~SEC. 18.~~

8 *SEC. 19.* Section 18882 of the Business and Professions Code  
9 is amended to read:

10 18882. (a) At the time of payment of the fee required by  
11 Section 18824, a promoter shall pay to the commission all amounts  
12 scheduled for contribution to the pension plan. If the commission,  
13 in its discretion, requires pursuant to Section 18881, that  
14 contributions to the pension plan be made by the boxer and his or  
15 her manager, those contributions shall be made at the time and in  
16 the manner prescribed by the commission.

17 (b) All contributions to finance the pension plan shall be  
18 deposited in the State Treasury and credited to the Boxers' Pension  
19 Fund, which is hereby created. Notwithstanding the provisions of  
20 Section 13340 of the Government Code, all moneys in the Boxers'  
21 Pension Fund are hereby continuously appropriated to be used  
22 exclusively for the purposes and administration of the pension  
23 plan.

24 (c) The Boxers' Pension Fund is a retirement fund, and no  
25 moneys within it shall be deposited or transferred to the General  
26 Fund.

27 (d) The commission has exclusive control of all funds in the  
28 Boxers' Pension Fund. No transfer or disbursement in any amount  
29 from this fund shall be made except upon the authorization of the  
30 commission and for the purpose and administration of the pension  
31 plan.

32 (e) Except as otherwise provided in this subdivision, the  
33 commission or its designee shall invest the money contained in  
34 the Boxers' Pension Fund according to the same standard of care  
35 as provided in Section 16040 of the Probate Code. The commission  
36 has exclusive control over the investment of all moneys in the  
37 Boxers' Pension Fund. Except as otherwise prohibited or restricted  
38 by law, the commission may invest the moneys in the fund through  
39 the purchase, holding, or sale of any investment, financial



1 instrument, or financial transaction that the commission in its  
2 informed opinion determines is prudent.

3 (f) The administrative costs associated with investing, managing,  
4 and distributing the Boxers' Pension Fund shall be limited to no  
5 more than 2 percent of the corpus of the fund. Diligence shall be  
6 exercised by administrators in order to lower the fund's expense  
7 ratio as far below 2 percent as feasible and appropriate. The  
8 commission shall report to the Legislature on the impact of this  
9 provision during the next regularly scheduled sunset review.

10 ~~SEC. 19.~~

11 *SEC. 20.* No reimbursement is required by this act pursuant to  
12 Section 6 of Article XIII B of the California Constitution because  
13 the only costs that may be incurred by a local agency or school  
14 district will be incurred because this act creates a new crime or  
15 infraction, eliminates a crime or infraction, or changes the penalty  
16 for a crime or infraction, within the meaning of Section 17556 of  
17 the Government Code, or changes the definition of a crime within  
18 the meaning of Section 6 of Article XIII B of the California  
19 Constitution.